

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND Senate Bill No. 601, Page 5, Section 143.121, Line 149, by inserting after all of said  
2 section and line the following:

3  
4 "393.1025. As used in sections 393.1020 to 393.1030, the following terms mean:

5 (1) "Commission", the public service commission;

6 (2) "Department", the department of natural resources;

7 (3) "Electric utility", any electrical corporation as defined by section 386.020;

8 (4) "Renewable energy credit" or "REC", a tradeable certificate of proof that one  
9 megawatt-hour of electricity has been generated from renewable energy sources; and

10 (5) "Renewable energy resources", electric energy produced from wind, solar thermal  
11 sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic  
12 agricultural residues, plant residues, methane from landfills, from agricultural operations, or from  
13 wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to  
14 energy, clean and untreated wood such as pallets, hydropower (not including pumped storage) [that  
15 does not require a new diversion or impoundment of water and that has a nameplate rating of ten  
16 megawatts or less], fuel cells using hydrogen produced by one of the above-named renewable energy  
17 sources, and other sources of energy not including nuclear that become available after November 4,  
18 2008, and are certified as renewable by rule by the department.

19 393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a  
20 portfolio requirement for all electric utilities to generate or purchase electricity generated from  
21 renewable energy resources. Such portfolio requirement shall provide that electricity from  
22 renewable energy resources shall constitute the following portions of each electric utility's sales:

23 (1) No less than two percent for calendar years 2011 through 2013;

24 (2) No less than five percent for calendar years 2014 through 2017;

25 (3) No less than ten percent for calendar years 2018 through 2020; and

26 (4) No less than fifteen percent in each calendar year beginning in 2021.

27 At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio  
28 requirements shall apply to all power sold to Missouri consumers whether such power is  
29 self-generated or purchased from another source in or outside of this state. A utility may comply  
30 with the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

2 2. The commission, in consultation with the department and within one year of November 4,  
3 2008, shall select a program for tracking and verifying the trading of renewable energy credits. An  
4 unused credit may exist for up to three years from the date of its creation. A credit may be used only  
5 once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any similar  
6 nonfederal requirement. An electric utility may not use a credit derived from a green pricing  
7 program. Certificates from net-metered sources shall initially be owned by the customer-generator.  
8 The commission, except where the department is specified, shall make whatever rules are necessary  
9 to enforce the renewable energy standard. Such rules shall include:

10 (1) A maximum average retail rate increase of one percent determined by estimating and  
11 comparing the electric utility's cost of compliance with least-cost renewable generation and the cost  
12 of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into  
13 proper account future environmental regulatory risk including the risk of greenhouse gas regulation.  
14 Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase  
15 would be less than or equal to one percent if an electric utility's investment in solar-related projects  
16 initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase,  
17 then additional solar rebates shall be paid and included in rates in an amount up to the amount that  
18 would produce a retail rate increase equal to the difference between a one percent retail rate increase  
19 and the retail rate increase calculated when ignoring an electric utility's investment in solar-related  
20 projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the  
21 contrary in this section, even if the payment of additional solar rebates will produce a maximum  
22 average retail rate increase of greater than one percent when an electric utility's investment in  
23 solar-related projects initiated, owned or operated by the electric utility are included in the  
24 calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be  
25 recovered as contemplated by subdivision (4) of this subsection;

26 (2) Penalties of at least twice the average market value of renewable energy credits for the  
27 compliance period for failure to meet the targets of subsection 1 of this section. An electric utility  
28 will be excused if it proves to the commission that failure was due to events beyond its reasonable  
29 control that could not have been reasonably mitigated, or that the maximum average retail rate  
30 increase has been reached. Penalties shall not be recovered from customers. Amounts forfeited  
31 under this section shall be remitted to the department to purchase renewable energy credits needed  
32 for compliance. Any excess forfeited revenues shall be used by the department's energy center solely  
33 for renewable energy and energy efficiency projects;

34 (3) Provisions for an annual report to be filed by each electric utility in a format sufficient to  
35 document its progress in meeting the targets;

36 (4) Provision for recovery outside the context of a regular rate case of prudently incurred  
37 costs and the pass-through of benefits to customers of any savings achieved by an electrical  
38 corporation in meeting the requirements of this section.

39 3. As provided for in this section, except for those electrical corporations that qualify for an  
40 exemption under section 393.1050, each electric utility shall make available to its retail customers a  
41 solar rebate for new or expanded solar electric systems sited on customers' premises, up to a

1 maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by the  
2 electric utility to have become operational in compliance with the provisions of section 386.890.  
3 The solar rebates shall be two dollars per watt for systems becoming operational on or before June  
4 30, [2014] 2015; one dollar and fifty cents per watt for systems becoming operational between July  
5 1, [2014] 2015, and June 30, [2015] 2016; one dollar per watt for systems becoming operational  
6 between July 1, [2015] 2016, and June 30, [2016] 2017; fifty cents per watt for systems becoming  
7 operational between July 1, [2016] 2017, and June 30, [2017] 2018; fifty cents per watt for systems  
8 becoming operational between July 1, [2017] 2018, and June 30, [2019] 2020; twenty-five cents per  
9 watt for systems becoming operational between July 1, [2019] 2020, and June 30, [2020] 2021; and  
10 zero cents per watt for systems becoming operational after June 30, [2020] 2021. An electric utility  
11 may, through its tariffs, require applications for rebates to be submitted up to one hundred eighty-two  
12 days prior to the June thirtieth operational date. Nothing in this section shall prevent an electrical  
13 corporation from offering rebates [after July 1, 2020] greater than required by this section, through  
14 an approved tariff. If the electric utility determines the maximum average retail rate increase  
15 provided for in subdivision (1) of subsection 2 of this section will be reached in any calendar year,  
16 the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding  
17 the maximum average retail rate increase if the electrical corporation files with the commission to  
18 suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change  
19 taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff  
20 shall include the calculation reflecting that the maximum average retail rate increase will be reached  
21 and supporting documentation reflecting that the maximum average retail rate increase will be  
22 reached. The commission shall rule on the suspension filing within sixty days of the date it is filed.  
23 If the commission determines that the maximum average retail rate increase will be reached, the  
24 commission shall approve the tariff suspension. The electric utility shall continue to process and pay  
25 applicable solar rebates until a final commission ruling; however, if the continued payment causes  
26 the electric utility to pay rebates that cause it to exceed the maximum average retail rate increase, the  
27 expenditures shall be considered prudently incurred costs as contemplated by subdivision (4) of  
28 subsection 2 of this section and shall be recoverable as such by the electric utility. As a condition of  
29 receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to  
30 the renewable energy credits associated with the new or expanded solar electric system that qualified  
31 the customer for the solar rebate for a period of ten years from the date the electric utility confirmed  
32 that the solar electric system was installed and operational.

33 4. The department shall, in consultation with the commission, establish by rule a certification  
34 process for electricity generated from renewable resources and used to fulfill the requirements of  
35 subsection 1 of this section. Certification criteria for renewable energy generation shall be  
36 determined by factors that include fuel type, technology, and the environmental impacts of the  
37 generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land use  
38 impacts, including impacts associated with the gathering of generation feedstocks. If any amount of  
39 fossil fuel is used with renewable energy resources, only the portion of electrical output attributable  
40 to renewable energy resources shall be used to fulfill the portfolio requirements.

41 5. In carrying out the provisions of this section, the commission and the department shall

1 include methane generated from the anaerobic digestion of farm animal waste and thermal  
 2 depolymerization or pyrolysis for converting waste material to energy as renewable energy resources  
 3 for purposes of this section.

4 6. The commission shall have the authority to promulgate rules for the implementation of  
 5 this section, but only to the extent such rules are consistent with, and do not delay the  
 6 implementation of, the provisions of this section. Any rule or portion of a rule, as that term is  
 7 defined in section 536.010, that is created under the authority delegated in this section shall become  
 8 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if  
 9 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
 10 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to  
 11 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
 12 authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

13 393.1032. 1. Notwithstanding any other provision of law, all hydroelectric generation  
 14 facilities located in Missouri, hydroelectric generation facilities that are owned by a Missouri utility,  
 15 or under a purchased power agreement with a Missouri utility that is required to comply with energy  
 16 standards under sections 393.1020 to 393.1045, will be classified as a certified renewable energy  
 17 resource effective January 1, 2018. Beginning January 1, 2021, all hydroelectric generation will be  
 18 classified as a certified renewable energy resource. Such certification as a renewable energy  
 19 resource will become effective immediately upon the occurrence of the delayed effective dates in this  
 20 section, and will not require any additional certification from the division of energy of the Missouri  
 21 department of economic development or an equivalent agency.

22 2. Prior to August 28, 2014, existing hydroelectric generation facilities that have met the  
 23 definition of a renewable energy resource and have been certified as such by the division of energy  
 24 of the Missouri department of economic development or an equivalent agency shall be considered to  
 25 be renewable energy resources under sections 393.1020 to 393.1045.

26 393.1075. 1. This section shall be known as the "Missouri Energy Efficiency Investment  
 27 Act".

28 2. As used in this section, the following terms shall mean:

29 (1) "Commission", the Missouri public service commission;

30 (2) "Demand response", measures that decrease peak demand or shift demand to off-peak  
 31 periods;

32 (3) "Demand-side program", any program conducted by the utility to modify the net  
 33 consumption of electricity on the retail customer's side of the electric meter, including but not limited  
 34 to energy efficiency measures, solar rebates defined under subsection 3 of section 393.1030, load  
 35 management, demand response, and interruptible or curtailable [load] rate;

36 (4) "Energy efficiency", measures that reduce the amount of electricity required to achieve a  
 37 given end use;

38 (5) "Interruptible or curtailable rate", a rate under which a customer receives a reduced  
 39 charge in exchange for agreeing to allow the utility to withdraw the supply of electricity under  
 40 certain specified conditions;

41 (6) "Total resource cost test", a test that compares the sum of avoided utility costs and

1 avoided probable environmental compliance costs to the sum of all incremental costs of end-use  
2 measures that are implemented due to the program, as defined by the commission in rules.

3 3. It shall be the policy of the state to value demand-side investments equal to traditional  
4 investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent  
5 costs of delivering cost-effective demand-side programs. In support of this policy, the commission  
6 shall:

7 (1) Provide timely cost recovery for utilities;

8 (2) Ensure that utility financial incentives are aligned with helping customers use energy  
9 more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy  
10 more efficiently; and

11 (3) Provide timely earnings opportunities associated with cost-effective measurable and  
12 verifiable efficiency savings.

13 4. The commission shall permit electric corporations to implement commission-approved  
14 demand-side programs proposed pursuant to this section with a goal of achieving all cost-effective  
15 demand-side savings. Recovery for such programs shall not be permitted unless the programs are  
16 approved by the commission, result in energy or demand savings and are beneficial to all customers  
17 in the customer class in which the programs are proposed, regardless of whether the programs are  
18 utilized by all customers. The commission shall consider the total resource cost test a preferred  
19 cost-effectiveness test. Programs targeted to low-income customers or general education campaigns  
20 do not need to meet a cost-effectiveness test, so long as the commission determines that the program  
21 or campaign is in the public interest. Nothing herein shall preclude the approval of demand-side  
22 programs that do not meet the test if the costs of the program above the level determined to be  
23 cost-effective are funded by the customers participating in the program or through tax or other  
24 governmental credits or incentives specifically designed for that purpose.

25 5. To comply with this section the commission may develop cost recovery mechanisms to  
26 further encourage investments in demand-side programs including, in combination and without  
27 limitation: capitalization of investments in and expenditures for demand-side programs, rate design  
28 modifications, accelerated depreciation on demand-side investments, and allowing the utility to  
29 retain a portion of the net benefits of a demand-side program for its shareholders. In setting rates the  
30 commission shall fairly apportion the costs and benefits of demand-side programs to each customer  
31 class except as provided for in subsection 6 of this section. Prior to approving a rate design  
32 modification associated with demand-side cost recovery, the commission shall conclude a docket  
33 studying the effects thereof and promulgate an appropriate rule.

34 6. The commission may reduce or exempt allocation of demand-side expenditures to  
35 low-income classes, as defined in an appropriate rate proceeding, as a subclass of residential service.

36 7. Provided that the customer has notified the electric corporation that the customer elects  
37 not to participate in demand-side measures offered by an electrical corporation, none of the costs of  
38 demand-side measures of an electric corporation offered under this section or by any other authority,  
39 and no other charges implemented in accordance with this section, shall be assigned to any account  
40 of any customer, including its affiliates and subsidiaries, meeting one or more of the following  
41 criteria:

1 (1) The customer has one or more accounts within the service territory of the electrical  
2 corporation that has a demand of five thousand kilowatts or more;

3 (2) The customer operates an interstate pipeline pumping station, regardless of size; or

4 (3) The customer has accounts within the service territory of the electrical corporation that  
5 have, in aggregate, a demand of two thousand five hundred kilowatts or more, and the customer has  
6 a comprehensive demand-side or energy efficiency program and can demonstrate an achievement of  
7 savings at least equal to those expected from utility-provided programs.

8 8. Customers that have notified the electrical corporation that they do not wish to participate  
9 in demand-side programs under this section shall not subsequently be eligible to participate in  
10 demand-side programs except under guidelines established by the commission in rulemaking.

11 9. Customers who participate in demand-side programs initiated after August 1, 2009, shall  
12 be required to participate in program funding for a period of time to be established by the  
13 commission in rulemaking.

14 10. Customers electing not to participate in an electric corporation's demand-side programs  
15 under this section shall still be allowed to participate in interruptible or curtailable rate schedules or  
16 tariffs offered by the electric corporation.

17 11. The commission shall provide oversight and may adopt rules and procedures and  
18 approve corporation-specific settlements and tariff provisions, independent evaluation of  
19 demand-side programs, as necessary, to ensure that electric corporations can achieve the goals of this  
20 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under  
21 the authority delegated in this section shall become effective only if it complies with and is subject to  
22 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536  
23 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536  
24 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held  
25 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after  
26 August 28, 2009, shall be invalid and void.

27 12. Each [electric] electrical corporation shall submit an annual report to the commission  
28 describing the demand-side programs implemented by the utility in the previous year. The report  
29 shall document program expenditures, including incentive payments, peak demand and energy  
30 savings impacts and the techniques used to estimate those impacts, avoided costs and the techniques  
31 used to estimate those costs, the estimated cost-effectiveness of the demand-side programs, and the  
32 net economic benefits of the demand-side programs.

33 13. Charges attributable to demand-side programs under this section shall be clearly shown  
34 as a separate line item on bills to the electrical corporation's customers.

35 14. (1) Any customer of an electrical corporation who has received a state tax credit under  
36 sections 135.350 to 135.362 or under sections 253.545 to 253.561 shall not be eligible for  
37 participation in any demand-side program offered by an electrical corporation under this section if  
38 such program offers a monetary incentive to the customer, except as provided in subdivision (4) of  
39 this subsection.

40 (2) As a condition of participation in any demand-side program offered by an electrical  
41 corporation under this section when such program offers a monetary incentive to the customer, the

1 commission shall develop rules that require documentation to be provided by the customer to the  
2 electrical corporation to show that the customer has not received a tax credit listed in subdivision (1)  
3 of this subsection.

4 (3) The penalty for a customer who provides false documentation under subdivision (2) of  
5 this subsection shall be a class A misdemeanor.

6 (4) The provisions of this subsection shall not apply to any low-income customer who would  
7 otherwise be eligible to participate in a demand-side program that is offered by an electrical  
8 corporation to low-income customers.

9 15. The commission shall develop rules that provide for disclosure of participants in all  
10 demand-side programs offered by electrical corporations under this section when such programs  
11 provide monetary incentives to the customer. The disclosure required by this subsection may  
12 include, but not be limited to, the following: the name of the participant, or the names of the  
13 [principles] principals if for a company, the property address, and the amount of the monetary  
14 incentive received."; and  
15

16 Further amend said bill by amending the title, enacting clause, and intersectional references  
17 accordingly.